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MEMORANDUM FOR: ADDI

Dick:

Attached FYI is a memo drafted by [redacted] our Policy Analysis Division speculating on the basis of recent leadership statements about the possibility of a Soviet debate on future defense spending. [redacted]

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1983-1984 period when both internal and external factors may have put extraordinary pressures on the Politburo to reconsider the adequacy of the Soviet defense effort. This memo was written at Doug MacEachin's initiative to spur alertness within SOVA to possible changes in Soviet defense policy, and he wanted you to be aware of its message even though we have by no means adopted as an office position that a debate or decision along the lines suggested in the memo exists.

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Date 13 July 84

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12 July 1984

MEMORANDUM

SUBJECT: Recent Soviet Leadership Statements on Defense

1. Two senior Politburo members spoke out on 27 June and argued that it was necessary to strengthen Soviet defenses:

- Defense Minister Ustinov made four separate references to this theme in a speech to military graduates and berated the United States for carrying out an across-the-board military buildup.
- Party Secretary Gorbachev told a Smolensk audience that the worsening international situation required the Soviets to strengthen defense "more than ever before."

These leaders' statements followed the publication in Kommunist of a statement by candidate Politburo member Boris Ponomarev that the current world situation requires "greater attention to the country's defense capability and to allotting considerable resources to strengthen its security." [redacted]

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2. In contrast, General Secretary Chernenko has not publicly highlighted the theme since he told the Central Committee on 13 February that Soviet "defense capacity" will be strengthened. Indeed, his public comments since February appear designed to assure listeners that while Moscow is allocating sizable resources to defense, there is no need for an accelerated military buildup that would interfere with the regime's commitment to increasing consumer well-being. In addition, an article by well-connected political commentator Fedor Burlatskiy, that appeared one week before Ustinov and Gorbachev spoke took a notably calm, optimistic approach to the international situation. [redacted]

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3. In view of the apparent difference of emphasis in statements, which follows a nearly year-long period of unusual leadership turbulence associated with Andropov's illness and the subsequent succession, it is possible that important decisions could have been delayed and that a leadership debate on defense allocations for the 1986-90 plan is now taking place. For basic decisions on defense allocations in an upcoming five-year plan to have been delayed this long would be unusual, but not

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unprecedented. In the past [redacted] [redacted] revisions in the five-year defense plan even after a "final" decision had already been taken. On the other hand, a decision on resource allocation may already have been made. This memorandum briefly discusses the evidence and speculates on the possibility of a leadership debate or decision about the level of the Soviet defense effort for the balance of the decade. [redacted]

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#### Possible Debate?

4. To some extent, the Ustinov and Gorbachev statements were predictable. They are consistent with Moscow's efforts to dramatize its opposition to US policies and to put pressure on the United States to change them. Both leaders, moreover, made their remarks in settings--a military graduation ceremony and the site of a major battle in World War II--that may have lent themselves to patriotic excess. Gorbachev also balanced his remarks on defense by saying that the cause of detente has not been "irreversibly undermined." [redacted]

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5. Yet the simultaneous pronouncements on defense by Ustinov and Gorbachev--the one a spokesman for the military and the other a spokesman for consumer interests--may have something to tell us about Soviet defense spending plans, especially because they may come at a crucial, albeit delayed, point in the Soviet military planning cycle. They may signal that the Politburo is considering whether to accelerate the Soviet military buildup during the period of the next economic plan. [redacted]

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6. If the Politburo is considering the defense spending issue, then Chernenko's statements since February on the adequacy of the party's current provision of resources to defense would seem to indicate that he differs with Ustinov and Gorbachev. In his Supreme Soviet election speech on 2 March, for example, he stated that:

-- During the past five years, the complexities of international life compelled us to divert considerable resources to the needs connected with the consolidation of the country's security. But we did not even think of curtailing social programs, since the ultimate goal of all our work is improving the well-being of the Soviet people....

-- The Soviet people want not an arms buildup but the reduction of armaments by both sides. But we must take care to ensure sufficient security for our country, its friends, and allies. This is precisely what is being done. [redacted]

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7. He returned to this theme in a speech at the "Hammer and Sickle" metalworks on 29 April. After noting that letters were reaching the Central Committee proposing the lengthening of the work week and the establishment of a fund for the defense of the country, he stated that improvements in "defense efficiency" made it possible to safeguard Soviet security "without taking the steps proposed." Also, a published account of the 31 May Politburo meeting said Chernenko had stated that concern for the human being with his growing material and cultural requirements must be at the center of Soviet plans for the upcoming 1986-90 plan. No mention was made of defense. [redacted]

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8. The appearance on 20 June in Literaturnaya gazeta of an unusually optimistic appraisal of the prospects for peace may provide further evidence of a leadership debate on national security issues. This assessment differs sharply from the statements on the growing danger of war that have appeared in the Soviet press. Such differences go to the heart of the discussion of how much is enough for defense. The author, Fedor Burlatskiy, is politically well-connected. He has extensive experience in the Central Committee apparatus, and he was reportedly an influential adviser to former General Secretary Andropov. His relations with Chernenko and other Politburo members, however, are unclear. [redacted]

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#### Possible Decision?

9. The historical evidence available to us on the Soviet military planning cycle indicates that basic decisions on planned military spending during 1986-90 could already have been made by this point in 1984. One of the keys to the Soviet military's successful competition for resources has been that military planning paces the overall economic planning process. If the Soviets have adhered to past practice, the military leadership should have completed its threat assessment and the drafting of the broad outlines of its development plans for the armed forces some time in 1983 and presented the planning authorities with its projected resource requirements. The earlier these projections are approved by the political leadership, the sooner the planners can project the resources that will be available for the rest of the economy. Thus, although a good deal probably remains to be done to fine-tune the plans of the individual branches of the armed forces and update military planning in keeping with later projections of economic growth, the Soviet military may already have been told what its overall budget will be. [redacted]

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10. If a decision on resource allocation has been made, Ustinov's speech may suggest that the armed forces have been

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promised a speed-up in military spending. A month ago in an interview with TASS, he stated that Soviet defenses were being maintained "at the proper level." On 27 June, in contrast, he spoke of the party's and government's "tireless concern for strengthening the country's defense." This characterization may signal that after several years in which weapon spending has been essentially flat, the Politburo has decided to step up the pace of military procurement. [redacted]

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11. Gorbachev's statement on the need to strengthen defense may be especially gratifying to the military. The 53-year-old Gorbachev is the unofficial number two party boss and currently a strong contender to succeed Chernenko. As the party secretary responsible for agriculture and the Food Program, he has represented interests that have been major and often successful rivals of the military in the competition for resources. [redacted]

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12. Both Gorbachev and Ustinov, moreover, made obvious efforts to associate Chernenko with their views, perhaps to reassure their audiences that the Politburo is speaking with one voice on national security questions. Ustinov, for only the second time in public, described Chernenko as Chairman of the Defense Council--a signal of approval that would not be lost on a military audience. In this context, the absence of recent Chernenko pronouncements on strengthening defense is difficult to explain but may be related to a post-Andropov practice of allowing senior Politburo figures other than the General Secretary to articulate major policy lines in their areas of responsibility or to an expansion of Gorbachev's power. [redacted]

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### Conclusion

13. On balance, we believe the evidence strongly suggests that the future level and trend in defense outlays remain undecided. There are three main reasons supporting this view:

- The uncertain leadership situation over the past year probably precluded major decisions.
- Chernenko continues to state that enough is being done.
- The Burlatskiy article almost certainly would not have been published if a Politburo decision to accelerate the defense buildup had already been taken. [redacted]

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14. If no final decision has been taken, the next several months probably will be a crucial period of leadership consideration. Next year will be the last year in the 1981-85 Five-Year Plan and should be devoted to hammering out the final

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details of an overall economic plan that will be formally approved in 1986. Because the military sector is so large, Soviet planners cannot properly tend to the needs of the rest of the economy until defense allocation issues are resolved. In light of Moscow's economic problems, moreover, "crashing" on the formulation of the Five-Year Plan could only make things worse. [REDACTED]

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15. If an unresolved defense allocation debate exists, it is not between "hawks" and "doves." All Soviet leaders are committed to a strong defense and give the military considerable leeway in deciding what is needed for this. What may be at issue is how much growth will occur in a Soviet defense budget that is already the world's largest and that will remain so for at least the next several years regardless of the decisions that Chernenko and his colleagues may take. [REDACTED]

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SUBJECT: Soviet Leadership Statements on Defense.

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